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REPORT

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA

JUNE 30, 2010 AND 2009

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA

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JUNE 30, 2010 AND 2009

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DUPLANTIER, HRAPMANN, HOGAN & MAHER, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

December 22, 2010

Board of Trustees of the
Sheriffs' Pension and Relief Fund
State of Louisiana
1225 Nicholson Drive
Baton Rouge, Louisiana 70802

We have audited the statements of plan net assets of the Sheriffs' Pension and Relief Fund, State of Louisiana as of June 30, 2010 and 2009 and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the management of the Sheriffs' Pension and Relief Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sheriffs' Pension and Relief Fund as of June 30, 2010 and 2009 and the results of its operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We have audited the financial statements of the Fund for the years ending June 30, 2010 and 2009, and issued our unqualified opinions on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 39 – 43 and the supplemental schedules on pages 35 – 38 are presented for the purposes of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 2005 – 2010 and supplemental schedules for the years ending June 30, 2010 and 2009, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2010 on our consideration of Sheriffs' Pension and Relief Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010

The Management's Discussion and Analysis of the Sheriffs' Pension and Relief Fund (Fund) financial performance presents a narrative overview and analysis of the Sheriffs' Pension and Relief Fund's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Sheriffs' Pension and Relief Fund's financial statements, which begin on page 11.

Economy and the Investment Markets for FY 2010

After experiencing a severe global recession during the past two fiscal years, characterized as the worst recession and markets decline since the 1930s, the U. S. economy and global markets have experienced a dramatic recovery off of the market lows of March 2009.

During the fiscal year ended June 30, 2010, the markets continued to experience uncertainty and volatility, but rewarded long-term investors that remained diversified and stayed the course in tough market conditions. LSPRF realized a return to positive investment performance, while continuing to conservatively control risk levels due to economists concerns of a return to recession. The Fund exceeded the annual target rate of return of 8% set to actuarially fund the System, realizing a return on investments of 11.8%* net of investment expense.

In evaluating this report it is important to note that the Fund is required by law to be actuarially funded; and it is useful to review this report in connection with the Actuarial Valuation of the Fund performed for the same period.

During this decade the economy and investment markets have encountered the unusual situation of enduring two recessions. It is helpful to review the impact of funding progress of prior years since the last recession ended in about 2002 up to the impact of the recession recently ended.

- The Fund's assets have increased from $820 million in 2002 to $1.522** billion at June 30, 2010, or up about 86% over 2002 levels. After the effects of the current severe recession, the market values of total Plan assets at June 30, 2010 are up approximately $215,258,499 over the recession lows of the prior fiscal year end. As a subsequent event note, the investment markets have continued to recover in the new fiscal year and the Fund has reached a new high in market value of assets of about of $1.7 billion + at month end December 2010. The general view of our consultants and other economists are that the recovery will continue in the current fiscal year and beyond, but at a more moderate pace for the near-term future.

*Source Mellon Analytics
**Audited financial statements

SHERIFFS' PENSION AND RELIEF FUND
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AS OF JUNE 30, 2010

Funded Ratio & Early Payment of Frozen UAL

Throughout the recession, the Fund's Net Actuarial Value of Assets to GASB 25 accrued liability continued to improve, with the funded ratio reflecting an increase at June 30, 2010 to 96.15% from the fiscal year 2009 level of 95.67%. One of the major factors in the increase in the funded ratio during these difficult times was the decision by the Board of Trustees to take advantage of the opportunity to prepay $22,548,024 or 23% of the Fund's frozen unfunded accrued liability (UAL) in FY 2008. This progress provided by the substantial pre-payment in FY 2008 resulted in additional principal reductions in the UAL in the amount of $3,236,172 for payments in fiscal years 2009 and 2010; reducing the balance of the frozen UAL to $71,042,296 from the prior balance of $96,251,088 at fiscal year end June 30, 2007, or a reduction of approximately 26%.

The Fund's frozen UAL was accumulated over many years, dating to inception of the Fund, as is the case with other statewide retirement systems. The Legislature froze the UAL in 1989 and mandated a schedule to amortize the unfunded liabilities, with interest, over a period to end in 2029. The original schedule required increasing annual payments, with no substantial principal reduction scheduled in the near future. With the principal payments made during the past three fiscal years, the amortization schedule is reduced from 2029 to about June 2023.

The advancement, made possible by the early payments to the UAL, results in substantial savings of interest costs over time, will potentially assist in better managing employer contribution costs in the future, and has the potential to favorably influence the Fund's future ability to provide additional member benefits, such as cost of living increases.

As explained in last year's audit analysis, the funding to provide this improvement results from positive investment returns in the years prior to the recent recession, along with changes in the valuation methods. That resulted in a decrease in the required employer contribution rates and provided the Board the opportunity to collect additional employer contributions, to improve the Fund, without increasing contribution rates in effect at the time.

Revenue and Benefit Payments Discussion

- Revenues apportioned by the Public Employees' Retirement Systems' Actuarial Committee for the Fund's statutorily dedicated portion from insurance premium tax collections totaled $15,112,480, an increase of $40,512 over the prior year.

- Regular contributions to the Plan by employers and members totaled $129,406,909 for an increase of $6,812,215 over the prior year. As in the prior year the Fund collected employer contributions at 11%, which was above the minimum recommended net direct contribution rate as per the June 30, 2009 actuarial valuation report.

SHERIFFS' PENSION AND RELIEF FUND
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MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010

Revenue and Benefit Payments Discussion (Continued)

- Active membership increased from 14,396 to 14,711 for the year; and retired members and survivors increased from 3,369 to 3,510 in FY 2010.

- Pension and disability benefits paid to retirees and beneficiaries, as determined by the Fund's auditors, totaled $81,932,090, an increase of $3,527,565 over the prior year. Refunds of contributions paid to members upon termination, and transfers to other systems on behalf of members, totaled $12,399,764, for a decrease of $1,258,263 from FY 2009.

- It is important to note that contribution and other non-investment income to the Fund exceeded payments for benefits paid to members, refunds, transfers and administrative expenses by $69,514,141 for FY 2010, for an increase of $6,196,471 over 2009 FY. The Fund has a positive annual cash flow and does not rely on investment income to pay current benefits to members, and is not expected to have to in the foreseeable future.

Recession Impact, Operational and Investment Highlights

The Sheriffs' Pension & Relief Fund uses actuarial funding methods, as prescribed by law, to accumulate sufficient assets over time to pay for the lifetime benefits accrued by members of the Fund upon retirement.

Investment returns are an important component of the funding of the Fund in order to support the level of benefits enjoyed by members, and to control employer contribution costs to sheriffs' offices that insure the Fund.

- To keep the Plan affordable for employers, the Plan sponsors, the Fund uses the investment markets and assumes a level of risk to meet funding targets for the Fund over the long-term.
- It is necessary to recognize that the Fund is a long-term investor and is subject to periods of favorable and unfavorable global market conditions. The Fund uses an actuarial smoothing method described below to help mitigate the impact of volatility in the global markets, and assist in providing more stable annual funding requirements.

The Sheriffs' Pension Fund currently uses a valuation interest rate, or assumed long-term rate of return of 8%, to provide a funding source for the Fund. For the 2009 – 2010 fiscal year, investment income is actuarially smoothed over a 5-year period to provide the actuarial rate of return and the actuarial value of assets used to determine the effect of investment experience on Plan costs, and set the required employer contribution rates to meet each year's funding requirements.

As noted in the beginning of this analysis, global market and economic conditions improved substantially during FY 2010 after suffering among the worst years in the history of the markets during the prior two fiscal years. Performance returned to a favorable impact on the Fund for the FY.

SHERIFFS' PENSION AND RELIEF FUND
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Recession Impact, Operational and Investment Highlights (Continued)

- The Fund's assets exceeded its non-actuarial liabilities at fiscal year-end 2010 by $1,522,233,162, as determined by the Fund's auditors, representing an increase from last fiscal year's recessionary level of $1,306,974,663. The net assets held in trust increased by $215,258,499, or 16.47%, due to the beginning of the global markets' recovery from recession. This compares to a decrease of $(204,845,353) or 13.55% for fiscal year 2009, a decrease of ($39,009,065), or 2.52%, for fiscal year 2008, and an increase of $262,728,906, or a 20.39% increase for fiscal year 2007. As noted in the beginning of the analysis, it is believed that the recession has ended and the Fund has experienced substantial recovery in FY 2010.

- As explained in the funding methods discussed, the conversion from market value to actuarial asset values, using the smoothing method recommended by our actuary, results in an actuarial asset value of $1,773,450,705, as compared to the 2009 value of $1,608,228,363, representing an increase of $165,222,342 for the 2010 fiscal year.

- Funding methods for the Fund rely on investment rates of return as determined by the actuary in the annual valuation. For the FY ended June 30, 2010 the actuary measured the rate of return relied upon for actuarial funding of the Fund, using the 5-year smoothing method, at an actuarial rate of return of 5.8%. This compares to an actuarial rate of return for FY 2009 of -5.0%.

- While the favorable Plan experience for 2010 improves the funding measures, the lingering effect resulting from the global recession and market crisis during the prior two fiscal years will continue to impact funding and required employer contribution rates over time as the economy recovers. This year's actuarial valuation recommends an increase in the minimum recommended employer contribution rate for the upcoming fiscal year from 12.75% in the current fiscal year to 13.75% for the FY beginning July 1, 2011. Please see the following paragraph for options available to the Board of Trustees to help in lessening the impact on the contribution rate for FY 2012 and the near-term future.

As a result of planning for the long-term future of the Fund by the Board of Trustees, a portion of the employer contributions collected above the required levels for prior fiscal years are held in reserve in the Funding Deposit Account (FDA), created by Act 247 of the 2009 Legislative Session. This provision allows the Board of Trustees the option to use funds in the FDA to offset against increases in the employer contribution rate. For the current fiscal year, a portion of the FDA was used to reduce the contribution rate from the recommended rate of 12.75% down to 12%, to lessen the impact on sheriff's offices budgets. A portion of the funds remain in reserve in the FDA to reduce the recommended rate of 13.75% for the fiscal year beginning July 1, 2011 and potentially for future years; pending further developments in the economy and market conditions. We are currently awaiting calculations from our actuary which will assist the Board in making this decision in the near future. The only other purposes the funds may be used for is to prepay additional amounts on the frozen UAL, as was accomplished in the 2008 fiscal year, or reduce future normal costs.

Recession Impact, Operational and Investment Highlights (Continued)

While the funding methods, revenue sources and actuarial smoothing methods used help to stabilize the current funding requirements, it is important to recognize that employer contribution rates are subject to further increases, depending on the level and timing of recovery in the investment markets. Returns above the Fund's 8% target rate of return will be necessary for 2011 and the near-term future years to assist in recovering from the impact of the severe recession and stabilize or potentially reduce contribution rates.

Summary:

The Board of Trustees of the Sheriffs' Pension and Relief Fund employs professional investment consultants and investment managers to maintain a well diversified investment portfolio designed to assist in risk control during unfavorable markets and take advantage of opportunities presented by favorable markets to help attain the Fund's targeted revenue levels over time.

The perpetual nature of the Fund and the level of benefits enjoyed by the members mandate that the Fund assume investment risk and a long-term investment strategy, recognizing that there will be favorable periods and unfavorable periods in the economy and investment markets.

As mentioned earlier in the discussion, non-investment sources of income provided by law for the Fund exceeds amounts paid annually for current benefits to members. The Fund does not currently rely on investment returns to pay monthly benefits, and is not expected to have to in the foreseeable future. The positive annual cash flow allows the Fund to maintain investment positions and diversification in negative market cycles and stay positioned for recovery, without having to sell assets at devalued prices to meet current benefit payments. This position has certainly been a positive factor in assisting the Fund through the very severe recession and recovery to date.

Since the vast majority of the Fund's liabilities relate to benefit payments to be made well into the future, the Fund has the ability and responsibility to maintain a long-term investment outlook and strategy.

Using This Financial Report

The discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements, which are comprised of three components:

- Statement of plan net assets,
- Statement of changes in plan net assets, and
- Notes to the financial statements.

This report also contains required supplemental information in addition to the basic financial statements themselves.

SHERIFFS' PENSION AND RELIEF FUND
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Using This Financial Report (Continued)

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the plan's ongoing plan perspective. This financial report consists of two financial statements and two required schedules of historical trend information. The Statements of Plan Net Assets and Statements of Changes in Plan Net Assets (on pages 11 and 12) provide information about the activities of the pension funds as a whole. Sheriffs' Pension and Relief Fund is the fiduciary of funds held in trust for sheriffs, deputies, non-commissioned employees of sheriffs' offices throughout the State of Louisiana and employees of the Louisiana Sheriffs' Association and the Sheriffs' Pension Fund office.

The Schedule of Funding Progress (on page 40) includes historical trend information about the actuarially funded status of the Fund from a long-term, ongoing plan perspective and the progress made in accumulating sufficient assets to pay benefits when due. The Schedule of Employer Contributions (on page 39) presents historical trend information about the annual required contributions of employers and the contributions made by employers in relation to the required contributions. These schedules provide information that contributes to understanding the changes over time in the funded status of the plan.

Financial Analysis of the Fund

Sheriffs' Pension and Relief Fund's plan net assets increased during the year ended June 30, 2010 by $215,258,499 from $1,306,974,663 Plan net assets for the prior fiscal year had decreased by ($204,845,353) compared to the prior fiscal year decrease is attributable to much less favorable market conditions than the prior fiscal year. This analysis focuses on plan net assets (Table 1) and changes in plan net assets (Table 2) of the Fund.

TABLE 1
PLAN NET ASSETS
(In Thousands)

	2010	2009
Cash and investments	$1,599,375	$1,413,704
Receivables	43,789	59,691
Capital assets	2,900	2,975
Total assets	1,646,064	1,476,371
Total liabilities	123,830	169,396
Plan net assets	$1,522,234	$ 1,306,975

SHERIFFS' PENSION AND RELIEF FUND
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Financial Analysis of the Fund (Continued)

TABLE 2
CHANGES IN PLAN NET ASSETS
(In Thousands)

	2010	2009
Additions:		
Contributions	$ 160,040	$ 152,297
Net investment income (loss)	145,744	(268,163)
Other	5,259	4,792
Total additions, net of investment losses	311,043	(111,074)
Deductions:		
Benefits	81,932	78,405
Refunds and transfers	12,400	13,658
Administrative expenses and depreciation	1,453	1,708
Total deductions	95,785	93,771
Changes in plan net assets	$ 215,258	$ (204,845)

Plan net assets increased by 16.47%, $1,522,233,162 compared to $1,306,974,665. These assets are restricted in use to provide monthly retirement allowances to members who contributed to the Fund as employees and their beneficiaries.

Additions to Plan Net Assets

Additions to Sheriffs' Pension and Relief Fund plan net assets were derived from member and employer contributions. Member contributions increased $3,273,389 or 5.61% while employer contributions increased $3,538,826 or 5.51%. The increase in contributions has continued based on prior legislation enacted which increased the contributions for plan members to 10% and employer contributions 11% of annual covered payroll. The Fund experienced a net investment income of $145,744,358 as compared to a net investment loss of ($268,163,023) in the prior year. The increase in investment income was mainly due to a continued upturn in world equity markets.

	2010	2009	Increase (Decrease)
Member Contributions	$ 61,648,599	$ 58,375,210	$ 3,273,389
Employer Contributions	67,758,310	64,219,484	3,538,826
Insurance Premium Taxes	15,112,480	15,071,968	40,512
Ad Valorem Taxes	15,091,337	14,195,115	896,222
State Revenue Sharing	429,707	434,747	(5,040)
Net Investment Income (Loss)	145,744,358	(268,163,023)	413,907,381
Other Additions	5,259,186	4,791,967	467,219
Total	$ 311,043,977	$ (111,074,532)	$ 422,118,509

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Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death, survivor benefits, refunds and transfers of contributions to other retirement plans and administrative expenses. Deductions from plan net assets totaled $95,785,478 in fiscal year 2010. This is an increase of $2,014,657 when compared to 2009. Retirement benefit payments increased $3,527,565 and refunds of contributions decreased by $985,144.

	2010	2009	Increase (Decrease)
Retirement Benefits	$ 81,932,090	$ 78,404,525	$ 3,527,565
Refunds of Contributions	11,463,444	12,448,588	(985,144)
Administrative Expenses and Depreciation	1,453,624	1,708,269	(254,645)
Transfers to Other Systems	936,320	1,209,439	(273,119)
Total	$ 95,785,478	$ 93,770,821	$ 2,014,657

Investments

Sheriffs' Pension and Relief Fund is responsible for the prudent management of funds held in trust for the exclusive benefits of our members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2010 amount to $1,591,004,919 as compared to $1,405,437,397 at June 30, 2009, which is an increase of $185,567,522 or 13.20%. The most significant increase is in stocks. Sheriffs' Pension and Relief Fund's investments in various markets at the end of the 2010 and 2009 fiscal years are indicated in the following table:

	2010	2009	Increase (Decrease)
Cash Equivalents	$ 77,319,707	$ 119,165,967	$ (41,846,260)
Collateral Held Under Securities Lending	63,676,175	68,621,119	(4,944,944)
Bonds	513,153,487	439,874,402	73,279,085
Stocks	936,855,550	777,775,909	159,079,641
Total	$ 1,591,004,919	$ 1,405,437,397	$ 185,567,522

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Osey McGee, Jr., Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, (225) 219-0500.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS:		
Cash	$ 8,370,084	$ 8,266,561
Receivables and prepaid expense:		
Member contributions	4,401,030	3,553,761
Employer contributions	5,022,445	3,946,639
Accrued interest and dividends	4,599,856	4,610,528
Sold investments receivable	29,029,983	47,393,131
Other receivables and prepaids	735,636	187,378
Total	43,788,950	59,691,437
Investments (at fair value): (Notes 1, 6, 7 and 8) (Page 36)		
Cash equivalents	77,319,707	119,165,967
Collateral held under Securities Lending Program	63,676,175	68,621,119
Bonds	513,153,487	439,874,402
Stocks	936,855,550	777,775,909
Total	1,591,004,919	1,405,437,397
Land, property, plant and equipment: (Notes 1 and 13)		
Building	2,727,329	2,727,329
Land and improvements	92,692	92,692
Furnishings, equipment and vehicles	875,231	884,763
	3,695,252	3,704,784
Less: Accumulated depreciation	795,565	729,896
Total	2,899,687	2,974,888
Total assets	1,646,063,640	1,476,370,283
LIABILITIES:		
Obligations under Securities Lending Program (Notes 6 and 7)	63,676,175	68,621,119
Investments purchased payable	56,594,015	97,660,382
Refunds payable	1,887,571	1,733,358
Other payables	89,960	30,929
Accounts payable	1,461,384	1,184,717
Pension payable	20,296	39,026
Accrued leave payable	101,077	126,089
Total liabilities	123,830,478	169,395,620
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 1,522,233,162	$ 1,306,974,663

(A schedule of funding progress for the plan is presented on Page 40)

See accompanying notes.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
ADDITIONS:		
Contributions:		
Members	$ 61,648,599	$ 58,375,210
Employers	67,758,310	64,219,484
Insurance premium tax	15,112,480	15,071,968
Ad valorem taxes	15,091,337	14,195,115
State revenue sharing	429,707	434,747
Total contributions	160,040,433	152,296,524
Investment income: (Note 1)		
Interest income	24,925,089	23,936,377
Dividend income	6,550,451	683,891
Net change in fair value of investments	119,608,482	(288,194,862)
Commission recapture	2,056	1,667
	151,086,078	(263,572,927)
Less investment expense:		
Investment advisory fee	4,922,591	4,332,154
Custodian fee and bank charges	419,129	257,942
	5,341,720	4,590,096
Net investment income (loss)	145,744,358	(268,163,023)
Other additions:		
Transfers from other retirement systems	5,258,753	4,791,600
Miscellaneous income	433	367
Total other additions	5,259,186	4,791,967
Total additions, net of investment losses	311,043,977	(111,074,532)
DEDUCTIONS:		
Benefits	81,932,090	78,404,525
Refund of contributions	11,463,444	12,448,588
Transfers to other state retirement systems	936,320	1,209,439
Administrative expenses (Page 37)	1,355,096	1,617,986
Depreciation (Notes 1 and 13)	98,528	90,283
Total deductions	95,785,478	93,770,821
NET CHANGE IN PLAN NET ASSETS	215,258,499	(204,845,353)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	1,306,974,663	1,511,820,016
END OF YEAR	$ 1,522,233,162	$ 1,306,974,663

See accompanying notes.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

The Sheriffs' Pension and Relief Fund (Fund) is a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association (LSA) and the Sheriffs' Pension Fund office.

The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members consisting of a president, secretary-treasurer, three active, participating sheriffs, and three full-time participating deputy sheriffs, three retired sheriffs and three retired deputy sheriffs participating in the Fund, and the chairman of the Senate Finance and House Retirement Committee serve as ex-officio members. The President may be either an active or retired sheriff, elected by the members of the LSA for a term of two years from the date of taking office. Reelection is permissible. At the annual sheriffs' conference, the general membership of the LSA elects one active sheriff and one retired sheriff to serve three-year staggered terms on the Board. Active and retired deputy sheriff members are elected from their respective ranks to three-year staggered terms. The members of the LSA elect the Secretary-Treasurer annually. All candidates for service on the Board of Trustees must complete legislatively required hours of training prior to becoming a candidate. Office personnel and retained professionals serve as authorized by the Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

In addition, these financial statements include the management's discussion and analysis as supplementary information, as required by of GASB Statement Number 34, *Basic Financial Statement- and Management's Discussion and Analysis- for State and Local Governments* and related standards.

Basis of Accounting:

The Fund's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest and dividend income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature. Insurance premium tax income is recorded in the fiscal year for which it is allocated.

The Plan reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Property, Plant and Equipment:

Property, plant and equipment are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation as follows:

Asset Class	Estimated Useful Life
Buildings	40 years
Vehicles	5 years
Office furniture and equipment	3-10 years

2. PLAN DESCRIPTION:

The Sheriffs' Pension and Relief Fund, State of Louisiana, is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The Sheriffs' Pension and Relief Fund received a favorable determination from the IRS regarding its status as a qualified plan in August 1995. The determination applied to plan years beginning after December 31, 1988.

The Sheriffs' Pension and Relief Fund, State of Louisiana, provides retirement benefits for employees of sheriffs' offices throughout the State of Louisiana. There are sixty-five contributing sheriff offices, with employees of the Louisiana Sheriffs' Association office and the Sheriffs' Pension Fund staff also contributing. At June 30, 2010 and 2009 statewide retirement membership consists of:

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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2. PLAN DESCRIPTION: (Continued)

	2010	2009
Current retirees and beneficiaries	3,510	3,369
Members, terminated with deferred vested benefits	325	306
Members, terminated, nonvested with contributions remaining on deposit with the fund	4,727	4,435
Fully vested, partially and nonvested active employees covered	14,711	14,396
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	23,273	22,506

Laws that govern the Fund are located in the Louisiana Revised Statutes beginning with 11:2171 et seg. which deals specifically with the Sheriffs' Pension Fund, and 11:11 et seg. which governs all public retirement systems in Louisiana.

Eligibility Requirements:

Membership in the Fund is required for all eligible sheriffs and deputies. Court criers of specified courts and non-deputized employees may become members. They are eligible immediately upon employment as long as they meet statutory criteria as to age and physical condition. All salaried employees of the Sheriffs' Pension and Relief Fund and the Louisiana Sheriffs' Association who meet certain requirements are also eligible to become members of the Fund. Members are vested after twelve years of service time.

Retirement Benefits:

Members with twelve years of creditable service may retire at age fifty-five. Members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active contributing members with at least ten years of creditable service may retire at age sixty and receive an actuarially reduced benefit. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

2. PLAN DESCRIPTION: (Continued)

Cost of Living Increases:

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of between 2% and 3% of their current benefit, (not less than twenty dollars per month). When such a cost of living increase is granted in any fiscal year, no such cost-of-living increase may be granted in the immediately following fiscal year. Members retiring on or after July 1, 2007, who have not attained the age of sixty years, may not receive this cost-of-living increase until they have been retired for three years. Those who have attained the age of sixty years may not receive this cost-of-living increase until they have been retired for one year. Different waiting periods applied to retirements prior to July 1, 2007. In addition, the Board may grant retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit (or the benefit being received on October 1, 1977 if retirement had commenced prior to that date). In order for the Board to grant either of these increases, the Fund must meet certain criteria in the statutes related to funding status and interest earnings. In lieu of these cost of living adjustments, the Board may also grant an increase in the form of "Xx(A+B)" where "X" is any amount up to $1 per month and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June thirtieth of the initial year of such increase. The Board may only grant such COLA's in years in which the Fund meets certain funding and investment earnings targets.

Deferred Benefits:

The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Disability Benefits:

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

2. PLAN DESCRIPTION: (Continued)

Survivor Benefits:

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of $150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Contribution Refunds:

Upon withdrawal from service, members not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

Back Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. In addition, the member's DROP and Back-DROP balances left on deposit are managed by a third party, fixed income investment manager, see Note 8. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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JUNE 30, 2010 AND 2009

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members were established by the Board of Trustees for the fiscal years ending June 30, 2010 and 2009. The employee contribution rate cannot be less than 9.8% nor more than 10.25% of earnable compensation. Contributions are deducted from the member's salary and remitted monthly by the participating parish.

Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For both fiscal 2010 and 2009, the employers contributed 11.00% of members' salaries. Also, the Fund annually receives revenue sharing funds, 0.5% of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premium taxes described in RS 22:1419.

Administrative costs of the Fund are financed through employer contributions.

Reserves:

Use of the term "reserve" by the Fund indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the Fund. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to Annuity Reserve to provide part of the benefits. The Annuity Savings as of June 30, 2010 is $412,818,052. The Annuity Savings is fully funded.

B) Pension Accumulation Reserve:

The Pension Accumulation Reserve consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. Also included is a funding deposit account which consists of surplus funds collected to be credited to the account for any fiscal

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Pension Accumulation Reserve: (Continued)

year ending on or after December 31, 2008, in which the Board of Trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds will earn interest at the board-approved actuarial valuation rate, and the interest will be credited once a year. The balance in the funding deposit account that is included in the Pension Accumulation Fund as of June 30, 2010 and 2009 was $17,151,710 and $15,881,213, respectively. Beginning with the June 30, 2010 valuation, the Board may direct the funds for the following purposes: (1) to reduce the unfunded accrued liability, (2) to reduce the present value of future normal costs, (3) to pay all or a portion of any future net direct employer contributions. The Pension Accumulation Reserve as of June 30, 2010 is $659,675,757. The Pension Accumulation Reserve is 54% funded.

C) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of June 30, 2010 is $744,303,351. The Annuity Reserve is fully funded.

D) Deferred Retirement Option Account:

The Deferred Retirement Option account consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. Members entering after June 30, 2002 are entitled to receive a "Back-DROP" benefit. Members participate in the program for up to three or four years, and upon termination receive benefits in a lump sum payment or annuity. The deferred retirement option account as of June 30, 2010 is $10,544,131. The Deferred Retirement Option account is fully funded.

4. ACTUARIAL COST METHOD:

The Frozen Attained Age Normal Cost Method was used to calculate the funding requirements of the Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Fund's unfunded liability must be made. The actuarial present value of future normal cost is called the actuarial accrued liability. The provisions of Louisiana R.S. 11:103 require that the unfunded accrued liability be amortized over a forty-year period beginning on July 1, 1989 with payments increasing at 3.5% per year.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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5. FUNDED STATUS AND FUNDING PROGRAM:

The funded status of the plan as of June 30, 2010, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Frozen Attained Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	$1,773,450,705	$1,844,493,001	$71,042,296	96.15%	$603,250,449	11.78%

The schedules of funding progress presented as required supplementary information (RSI) on page 38 following the notes to financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability (AAL).

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2010
Actuarial Cost Method	Frozen Attained Age Normal Actuarial Cost Method.
Amortization Method	In accordance with state statute, the payment amounts increase at 3.5% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis)
Remaining Amortization Period	19 years
Actuarial Asset Values: Bonds and Equities	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

5. FUNDED STATUS AND FUNDING PROGRAM: (Continued)

Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	6% (3.25% Inflation, 2.75 Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

In accordance with GASB 25, information in the Required Supplementary Schedules is designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 39- 42.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Fund's deposits, cash equivalents and investments at June 30, 2010 and 2009.

	2010	2009
Deposits (bank balance)	$ 8,731,189	$ 8,194,296
Cash equivalents	77,319,707	119,165,967
Investments	1,513,685,212	1,286,271,431
	$ 1,599,736,108	$ 1,413,631,694

Deposits:

The Fund's bank deposits were fully insured or collateralized with securities held by the entity or its agent in the entity's name.

Cash Equivalents:

For the years ending June 30, 2010 and 2009, cash equivalents in the amount of $68,196,819 and $110,262,153 respectively, consisted of government backed pooled funds. These funds are held by a sub-custodian, are managed by separate money managers and are in the name of the Fund's custodian's trust department. For the years ended June 30, 2010 and 2009, cash equivalents also included amounts invested in the Louisiana Asset Management Pool, see Note 8, totaling $9,122,888 and $8,903,815 respectively.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments:

Statutes authorize the Fund to invest under the Prudent-Man Rule. Pursuant to Louisiana Revised Statute 11:263, the Prudent-Man rule requires each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the care, skill, prudence and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the Fund shall not invest more than fifty-five percent of the total portfolio in common stock and not more than 10% in index funds.

Concentration of Credit Risk:

The Fund's investment policy states that short-term investments may not exceed 5% of each manager's assigned portfolio allocation without Board approval and maximum single stock ownership in the common stock of any one organization shall not exceed 7% of each manager's portfolio. In addition, total exposure of all types of mortgages, as a percentage of each advisor's total fixed income portfolio, at market value, shall not be more than 10% greater than the mortgage sector's current percent of the Barclays Aggregate index. Collateralized mortgage obligations and adjustable rate mortgages shall not exceed 15%, at market value, of each investment advisor's total fixed income portfolio. There were no investments in any organization which represented 5% of total investments June 30, 2010 and 2009.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Fund's investments in long-term debt securities as of June 30, 2010 (Corporate bonds totaling $1,535,075, collateralized mortgage obligations totaling $28,919,300, Other totaling $10,863,776, and U.S. Government obligations totaling $249,332,154 are not rated).

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

2010					
Average Quality Rating	Corporate Bonds	Mortgage Backed/ Collateralized Mortgage Obligations	U.S. Government	Other	Total
AAA	$ 13,437,047	$ 8,513,235	$ 10,512,054	$ 2,523,467	$ 34,985,803
AA	9,427,905	2,164,314	2,779,991	397,531	14,769,741
A	30,362,241	2,046,597	10,645,974	2,694,086	45,748,898
BAA	65,543,274	283,078	11,897,818	10,164,833	87,889,003
BA	18,423,375	1,079,308	2,234,995	533,104	22,270,782
B	6,598,618	1,572,157	1,765,053	247,438	10,183,266
CAA	4,077,352	1,761,319	562,241	-	6,400,912
CA	-	170,636	17,134	-	187,770
C	-	43,849	23,158	-	67,007
Not Rated	1,535,075	28,919,300	249,332,154	10,863,776	290,650,305
	$ 149,404,887	$ 46,553,793	$ 289,770,572	$ 27,424,235	$ 513,153,487

Following are the credit ratings of the Fund's investments in long-term debt securities as of June 30, 2009. (Corporate bonds totaling $1,268,260, collateralized mortgage obligations totaling $7,034,512 and U.S. Government obligations totaling $64,300,806 are not rated.)

2009					
Average Quality Rating	Corporate Bonds	Mortgage Backed/ Collateralized Mortgage Obligations	U.S. Government	Other	Total
AAA	$ 5,924,815	$ 169,143,386	$ 4,415,960	$ 1,036,280	$ 180,520,441
AA	10,898,730	2,463,797	1,356,719	1,379,790	16,099,036
A	36,862,550	2,454,357	7,609,165	2,850,273	49,776,345
BAA	58,875,904	2,334,552	11,698,867	9,059,473	81,968,796
BA	10,844,320	1,200,245	2,656,518	1,133,898	15,834,981
B	1,910,492	1,394,727	1,445,697	693,489	5,444,405
CAA	10,144,012	1,409,384	695,789	-	12,249,185
CA	561,688	138,532	4,632,670	-	5,332,890
C	44,625	-	120	-	44,745
Not Rated	1,268,260	7,034,512	64,300,806	-	72,603,578
	$ 137,335,396	$ 187,573,492	$ 98,812,311	$ 16,153,203	$ 439,874,402

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STATE OF LOUISIANA
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JUNE 30, 2010 AND 2009

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

Bond portfolios must have a minimum average quality rating of A. Securities must be rated Baa3/BBB- by at least two of the major rating agencies at the time of the purchase. The major rating agencies are Moody's Investor Services, Standard & Poor's or Flitch Investor Services. Any security that falls below Baa3/BBB- rating by any of the major rating agencies must be sold within 90 days of the downgrade announcement. The investment manger must contact the consultant and/or investment committee for approval should they wish to hold the security beyond 90 days.

All security types include in the benchmark (Barclays Aggregate Bond Index) are candidates for purchase and placement in the bond portfolio. This includes U.S. dollar denominated bonds registered in the U.S. by foreign governments as well as corporate bonds issued by foreign companies. Total exposure to U.S. dollar denominated foreign-issued bonds shall not exceed 5% at market value of each investment advisor's total fixed income portfolio.

Private placement securities issued under SEC Rule 144A may be held, but shall not exceed 10% at market value of each investment advisor's total fixed income portfolio.

Derivatives are limited to the use of U.S. Treasury bond futures, primarily for the purpose of adjusting fixed income duration. The use of futures shall not cause asset class policy ranges to be exceeded, or cause the total fund to be leveraged. The net notional principal amounts outstanding of all derivative investments, expressed in terms of the value of the underlying position, shall not exceed 15% of the market value of the Fund. All derivatives positions must be incorporated into the overall portfolio market values and risk measures.

Foreign government, sovereign, sovereign-guaranteed, supranational and corporate obligations, including emerging market debt exposure to Non-Dollar Securities shall not exceed 10% at market value of each investment advisor's total fixed income portfolio.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Fund is not exposed to custodial credit risk at June 30, 2010 for investments in the amount of $1,527,075,475 since the investments are in the name of the Fund. At June 30, 2010, for collateral held under securities lending in the amount of $63,676,175, non-cash collateral received under the securities lending program in the amount of $541,575 is exposed to custodial credit risk since these investments are not in the name of the Fund. The Fund has no formal investment policy regarding custodial credit risk.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Fund's exposure to foreign currency risk is limited to its investment in foreign marketable securities at June 30, 2010 as follows:

	Fair Value	
Currency	2010	2009
Australian dollar	$ 1,921,703	$ 1,432,479
Brazil real	721,748	645,676
British pound sterling	5,635,211	4,537,755
Canadian dollar	585,149	--
Columbian peso	147,376	349,013
Danish krone	255,304	178,391
European euro	7,779,817	5,241,466
Hong Kong dollar	760,741	1,311,193
Japanese yen	6,477,688	5,379,707
Mexican peso	321,652	292,374
New Zealand dollar	26,094	20,058
Norwegian krona	177,716	1
Singapore dollar	578,344	721,864
Swedish krona	1,266,088	532,028
Swiss franc	1,507,964	1,121,520
South African rand	1	-
	$ 28,162,596	$ 21,763,525

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2010, the Fund had the following investments in long-term debt securities and maturities:

	2010				
	Fair Value	Less Than 1	1 – 5	6 – 10	More Than 10
Investment Type					
U.S. Government and Government agency obligations	$ 289,770,572	$ 22,471,857	$ 52,842,167	$ 53,272,868	$ 161,183,680
Other Bonds:					
Corporate bonds	149,404,887	8,574,968	47,225,015	64,377,041	29,227,863
Mortgage-backed securities and collateralized mortgage obligations	46,553,793	--	1,772,717	1,043,863	43,737,213
Other	27,424,235	10,591,485	5,715,539	6,518,583	4,598,628
	$ 513,153,487	$ 41,638,310	$ 107,555,438	$ 125,212,355	$ 238,747,384
Collateral held under Securities Lending Program	$ 63,676,175	$ 63,676,175	$ --	$ --	$ --

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

As of June 30, 2009, the Fund had the following investments in long-term debt securities and maturities:

	2009				
	Fair Value	Less Than 1	1 – 5	6 – 10	More Than 10
U.S. Government and Government agency obligations	$ 98,812,311	$ 1,043,135	$ 45,069,139	$ 28,822,123	$ 23,877,914
Other Bonds:					
Corporate bonds	137,335,396	5,292,069	45,601,178	56,598,996	29,843,153
Mortgage-backed securities and collateralized mortgage obligations	187,573,492	--	3,992,532	12,776,221	170,804,739
Other	16,153,203	343,105	4,819,003	8,950,749	2,040,346
	$ 439,874,402	$ 6,678,309	$ 99,481,852	$ 107,148,089	$ 226,566,152
Collateral held under Securities Lending Program	$ 68,621,119	$ 68,621,119	$ --	$ --	$ --

The Fund invests in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The Fund has no formal investment policy regarding interest rate risk.

7. SECURITY LENDING AGREEMENT:

State statutes and board of trustee policies authorize the Fund to invest under the Prudent-Man Rule. Under the Prudent-Man Rule, the Fund is allowed to lend its securities to broker - dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Fund enters into a contract with a company, which acts as their third-party securities lending agent. The lending agent has access to the Fund's lendable portfolio or available assets. The agent lends the available assets such as U.S. Treasury, government-guaranteed and corporate fixed income securities, and equities. The lending agent has discretion over the selection of borrowers and continually reviews credit worthiness of potential borrowers through adequate analysis of all material provided to them; however, the Fund may restrict borrowers. All loans are fully collateralized with cash, government securities, or irrevocable letters of credit. Initial collateralization of loans will be 102% of the market value of the loaned securities plus accrued income for U.S. and 105% in all cases and at all times of non-U.S. loans, respectively.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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JUNE 30, 2010 AND 2009

7. SECURITY LENDING AGREEMENT: (Continued)

When collateral for U.S. issuers is less than 100% of market value of the loaned securities, additional collateral is required to bring the collateralization back to 102%. As a result of the required collateralization percentages, the Fund has no credit risk. The lending agent and the Fund enter into contracts with all approved borrowers. In the case of security loans in which the collateral received by the Fund is cash, the collateral is reported as an asset with a corresponding liability. When the Fund receives collateral other than cash, it may not reinvest the collateral. When this occurs, the Fund does not record the collateral on the financial statements. In both cases, the loaned securities continue to be reported as an asset on the Statement of Plan Net Assets and in footnote number 6. In the case of any loans collateralized by cash, the lending agent will invest the cash collateral (in the name of the Fund) in approved investments outlined in the contract between the agent and the Fund such as commercial paper, selected money market mutual funds, certificates of deposit, and repurchase agreements including tri-party. Acceptable collateral from approved borrowers for repurchase agreements (including tri-party) is all direct U.S. Treasury obligations, mortgage and asset-backed securities rated AA or higher, commercial paper, and other investments stipulated in lender agent contract.

The fund has the following securities on loan:

	June 30, 2010 Market (Carrying Value)	June 30, 2009 Market (Carrying Value)
U. S. Government Securities	$ 17,626,339	$ 41,567,174
U. S. Government Agency Securities	930,974	890,700
Corporate Bonds	14,101,171	5,412,823
Marketable Securities	29,772,562	19,781,409
	$ 62,431,046	$ 67,652,106

The contracts with the lending agent requires the lending agent to indemnify the Fund from any and all claims, actions, demands or lawsuits of any kind whatsoever resulting from the lending agent's gross negligence or willful misconduct in its administration of the program and to replace loaned securities not returned to the Fund for any reason.

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral by investing only in repurchase agreements with maturities of one to two days.

The information was not available to compute the gross amount of interest income earned and interest expense incurred from security lending transactions. The net amount of income received from the transactions is recorded in the financial statements in investment income.

8. LOUISIANA ASSET MANAGEMENT POOL:

Investments held at June 30, 2010 and 2009 consist of $9,122,888 and $8,903,815, in the Louisiana Asset Management Pool (LAMP), a local government investment pool.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit risk: LAMP is rated AAAm by Standard and Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk: Not applicable to 2a7-like pools.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investments Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

8. LOUISIANA ASSET MANAGEMENT POOL: (Continued)

LAMP, Inc. is subject to the regularity oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

9. EMPLOYEES DEFERRED COMPENSATION PLAN:

The Sheriffs' Pension and Relief Fund offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseen emergency. Effective in the prior year, the Board of Trustees authorized matching contributions to be made to the plan by the Fund on behalf of the employees. The current and prior years contributions totaled $35,900 and $35,597, respectively.

All assets and income are held in a custodial trust account for the exclusive benefit of the participants and their beneficiaries.

10. ANNUAL AND SICK LEAVE:

Employees' leave is accrued at rates of 12 to 24 days per year depending upon length of service. Upon separation employees are compensated for accumulated annual leave, up to a maximum of 60 days. Employees are not compensated for accumulated sick leave upon termination.

The liability for annual leave accrued at June 30, 2010 and 2009 is $101,077 and $126,089, respectively.

11. OPERATING BUDGET:

The budget is under the control of the Board of Trustees and is not an appropriated budget but is considered a budgetary execution for management purposes.

12. USE OF ESTIMATES:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

13. CHANGES IN PROPERTY, PLANT AND EQUIPMENT:

A summary of changes in fixed assets follows:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Land and building	$ 2,820,021	$ --	$ --	$ 2,820,021
Vehicles	31,085	--	--	31,085
Office furniture and equipment	853,678	22,352	31,884	844,146
Total	$ 3,704,784	$ 22,352	$ 31,884	$ 3,695,252

Depreciation expense for the years ended June 30, 2010 and 2009 totaled $98,528 and $90,283, respectively.

14. OTHER RECEIVABLES AND PREPAIDS:

A summary of this account follows:

Description	2010	2009
Pensions	$ 28,381	$ 87,298
Taxes	707,255	125,335
Total	735,636	212,633
Less: Provision for uncollectibility	-	25,255
Total	$ 735,636	$ 187,378

Pensions receivable represents amounts that have been determined to have been paid for benefits that were not due to the recipient. Amounts due are generally established through legal judgments. Taxes receivable represent ad valorem and revenue sharing taxes due from parishes. A provision for uncollectibility has been provided for the pensions at June 30, 2010 and 2009 totaling $0 and $25,255, respectively.

15. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS:

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. GASB 45 requires employers to account for and report the annual cost of OPEB and the outstanding obligations and commitments related to them in the same manner as they currently do for pensions. All of the Fund's retired employees continue their life insurance and continue to receive health insurance benefits at various percentages of the Fund's cost.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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JUNE 30, 2010 AND 2009

15. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

During the year ended June 30, 2009, the Fund implemented GASB 45.

Substantially all of the Fund's employees become eligible for postemployment health care, life insurance and dental benefits if they reach normal retirement age while working for the Fund. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Sheriffs Association whose premiums are paid jointly by the employee and the Fund. At June 30, 2010 and 2009, five retirees were receiving postemployment benefits.

Plan Description

The Plan is required to comply with House Bill 253, Act 314 of 1999 which provides that the premium costs of group hospital, surgical, medical expenses, and dental insurance and the first $10,000 of life insurance contracted under the provisions of the bill shall be paid in full from the sheriffs' general fund for all sheriffs and deputy sheriffs retired with a minimum of fifteen years service and fifty-five years of age. The Fund's employees may participate in the Louisiana Sheriffs' Association employee benefit plan, an agent multi-employer plan, which provides welfare and dental benefits. The insurance advisory committee of the Louisiana Sheriffs' Association is the plan administrator. The participating Sheriffs' and participants make the necessary contributions to fund the plan. Plan assets are held under the Louisiana Sheriffs' Association Group Benefits Trust. The Louisiana Sheriffs' Association did not have an actuarial valuation prepared for the plan as of June 30, 2010 and 2009. Benefits are paid from the trust fund. The plans fiscal year ends on June 30th of each year.

Funding Policy

The plan is currently financed on a pay as you go basis, with the Fund contributing $250 per month for retiree-only coverage with Medicare or $367 per month for retiree-only coverage without Medicare during the year ended June 30, 2010. Also, the Fund's contribution is $439 per month for retiree and spouse with Medicare or $670 per month for retiree and spouse without Medicare.

The Plan also provides dental coverage with the Fund contributing from $16 per month for an employee only and up to $42 per month for an employee and family members.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

15. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Annual OPEB Cost

The Fund's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The entry age actuarial cost method and the level percentage of payroll amortization method, open period, was used to calculate the ARC. The total ARC for the fiscal years ending June 30, 2010 and 2009 is $55,431 and $54,168 as set forth below:

	2010	2009
Normal Cost	$ 25,665	$ 26,264
30-year UAL amortization amount	29,766	27,904
Annual required contribution (ARC)	$ 55,431	$ 54,168

The following table presents the Fund's OPEB obligation for the years ended June 30, 2010 and 2009:

	2010	2009
Beginning Net OPEB Obligation July 1	$ 33,185	$ -
Annual required contribution	55,431	54,168
Interest on net OPEB obligation	1,048	-
OPEB cost	56,479	54,168
Age Adjusted Contributions made	(23,098)	(20,983)
Change in Net OPEB Obligation	33,381	33,185
Ending Net OPEB Obligation June 30, 2009	$ 66,566	$ 33,185

Utilizing the pay-as-you-go method, the System contributed 37.45% and 38.74% of the annual postemployment benefits cost during the years ended June 30, 2010 and 2009, respectively.

Funded Status and Funding Progress

Other than credited age adjusted contributions, the Fund made no contributions to its postemployment benefits plan. The Plan was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of $730,735 and $685,010 at June 30, 2010 and 2009, respectively, was unfunded.

The funded status of the plan as of June 30, 2010 and 2009 valuation, was as follows:

	2010	2009
Actuarial accrued liability (AAL)	$ 730,735	$ 685,010
Actuarial value of plan assets	-	--
Unfunded actuarial accrued liability (UAAL)	$ 730,735	$ 685,010
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 609,679	$ 728,149
UAAL as a percentage of covered payroll	119.86%	94.08%

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

15. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

Since the Louisiana Sheriffs' Association did not have a actuarial valuation prepared for the plan, the Sheriffs Pension and Relief Fund qualified to use the Alternative Measurement Method (AMM), the calculation of the actuarial accrued liability and annual contribution may be completed without a traditional actuarial valuation. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted under GASB guidelines.

The following key assumptions were used in the AMM valuation dated June 30, 2010 and 2009:

Description	Assumption Used
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Amortization Period	30 years
Employer Asset Return	7.0%
Discount Rate	7.0%
Projected Salary Increases	6.0%
Average Retirement Age	67
Mortality Table	RP2000 Mortality Table for males and Females projected 10 years
Turnover Assumptions	Standard Turnover Assumptions GASB 45 Paragraph 35b (Table 1 – Probability of Remaining Employed until Assumed Retirement Age)

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

15. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS: (Continued)

Health Care Cost Trends:	
Health and Pharmacy	9%
Dental	4%
Vision	3%

In accordance with GASB 45, information in the Required Supplementary Schedule on page 43 is designed to provide historical information related to the postemployment healthcare and life insurance benefits provided.

16. RECLASSIFICATIONS:

Certain amounts in the prior financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassifications had no effect on the change in net assets.

17. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through December 22, 2010, which is the date the financial statements were available to be issued.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

	JUNE 30,2010				
	ANNUITY RESERVE	ANNUITY SAVINGS	PENSION ACCUMULATION RESERVE	DEFERRED RETIREMENT OPTION PLAN (DROP)	UNFUNDED ACTUARIAL LIABILITY
BALANCES - BEGINNING OF YEAR	$ 677,642,318	$ 376,177,355	$ 602,356,820	$ 9,017,356	$ (358,219,186)
REVENUES INVESTMENTS INCOME (LOSS) AND TRANSFERS:					
Contributions	-	61,648,599	98,391,834	-	-
Net income (loss) investments	-	-	145,730,001	14,357	-
Miscellaneous income	-	-	433	-	-
Annuities derived from accumulated savings	14,721,992	-	-	-	-
Contributions for purchased or transferred services	-	1,177,534	4,081,219	-	-
DROP other changes, net	-	-	-	1,009,983	-
DROP pensions accumulated from Annuity Reserve	-	-	-	8,138,572	-
Actuarial transfer	135,383,549	-	-	-	53,111,057
Total revenues investment income (loss) and transfers	150,105,541	62,826,133	248,203,487	9,162,912	53,111,057
EXPENSES AND TRANSFERS:					
Retirement allowances paid during the period	74,295,953	-	-	-	-
Transfer to Annuity Reserve	-	14,721,992	-	-	-
Refunds to members	-	11,463,444	-	-	-
Administrative expenses and depreciation	-	-	1,453,624	-	-
DROP other changes, net	1,009,983	-	-	-	-
Funds transferred to another system	-	-	936,320	-	-
Pensions paid into DROP	8,138,572	-	-	-	-
Pensions paid out of DROP	-	-	-	7,636,137	-
Actuarial transfer	-	-	188,494,606	-	
Total expenses and transfers	83,444,508	26,185,436	190,884,550	7,636,137	-
Net change	66,661,033	36,640,697	57,318,937	1,526,775	53,111,057
BALANCES - END OF YEAR	$ 744,303,351	$ 412,818,052	$ 659,675,757	$ 10,544,131	$ (305,108,129)

	JUNE 30,2009					
TOTAL	ANNUITY RESERVE	ANNUITY SAVINGS	PENSION ACCUMULATION RESERVE	DEFERRED RETIREMENT OPTION PLAN (DROP)	UNFUNDED ACTUARIAL LIABILITY	TOTAL
$ 1,306,974,663	$ 607,526,350	$ 342,962,629	$ 742,367,902	$ 9,725,497	$ (190,762,362)	$ 1,511,820,016
160,040,433	-	58,375,210	93,921,314	-	-	152,296,524
145,744,358	-	-	(268,269,008)	105,985	-	(268,163,023)
433	-	-	367	-	-	367
14,721,992	13,819,898	-	-	-	-	13,819,898
5,258,753	-	1,108,002	3,683,598	-	-	4,791,600
1,009,983	-	-	-	1,819,791	-	1,819,791
8,138,572	-	-	-	6,411,451	-	6,411,451
188,494,606	133,886,469	-	33,570,355	-	-	167,456,824
523,409,130	147,706,367	59,483,212	(137,093,374)	8,337,227	-	78,433,432
74,295,953	69,359,157	-	-	-	-	69,359,157
14,721,992	-	13,819,898	-	-	-	13,819,898
11,463,444	-	12,448,588	-	-	-	12,448,588
1,453,624	-	-	1,708,269	-	-	1,708,269
1,009,983	1,819,791	-	-	-	-	1,819,791
936,320	-	-	1,209,439	-	-	1,209,439
8,138,572	6,411,451	-	-	-	-	6,411,451
7,636,137	-	-	-	9,045,368	-	9,045,368
188,494,606	-	-	-	-	167,456,824	167,456,824
308,150,631	77,590,399	26,268,486	2,917,708	9,045,368	167,456,824	283,278,785
215,258,499	70,115,968	33,214,726	(140,011,082)	(708,141)	(167,456,824)	(204,845,353)
$ 1,522,233,162	$ 677,642,318	$ 376,177,355	$ 602,356,820	$ 9,017,356	$ (358,219,186)	$ 1,306,974,663

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

INVESTMENTS:	JUNE 30,2010 PAR VALUE	JUNE 30,2010 ORIGINAL COST	JUNE 30,2010 MARKET VALUE	JUNE 30,2009 PAR VALUE	JUNE 30,2009 ORIGINAL COST	JUNE 30,2009 MARKET VALUE
Cash equivalents		$ 77,319,707	$ 77,319,707		$ 119,165,967	$ 119,165,967
Bonds:						
Corporate and aid bonds	$ 220,156,082	248,323,330	253,977,976	$ 238,048,806	202,826,660	212,404,404
Foreign Government bonds	266,340,000	2,201,791	2,336,621	674,951,000	2,050,656	2,092,651
U.S. Government securities and mortgage-backed securities	247,937,125	247,000,701	256,838,890	247,386,202	250,342,257	225,377,347
Total bonds	$ 734,433,207	497,525,822	513,153,487	$ 1,160,386,008	455,219,573	439,874,402
Stocks:						
Corporate stock - common		683,200,696	651,225,133		623,806,486	549,600,565
International equities		233,037,571	211,137,508		205,745,540	174,540,611
Diversified alternatives		78,129,697	74,492,909		64,564,832	53,634,733
Total stocks		994,367,964	936,855,550		894,116,858	777,775,909
TOTAL INVESTMENTS		$ 1,569,213,493	$ 1,527,328,744		$ 1,468,502,398	$ 1,336,816,278

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

	2010	2009
Salaries and related cost	$ 693,293	$ 775,840
Office supplies and expense	63,766	86,057
Imaging	4,375	24,268
Computer services	26,643	38,579
Medical fees - members	9,679	6,930
Professional retainers and legal fees	244,844	330,189
Travel - Board & Committee meeting expenses	16,131	21,311
Travel - Trustee educational	4,054	33,503
Travel - LSA conference	24,378	31,276
Telephone and telegraph	14,350	12,850
Payroll taxes	12,825	7,563
Group medical and bond insurance	105,545	118,807
Professional development	2,565	3,987
Leases - office equipment	10,216	11,622
Equipment rental	4,296	4,296
Equipment maintenance	24,861	23,042
Janitorial, garage, yard	23,041	20,432
Building maintenance	4,679	12,035
Security	4,943	5,534
Utilities	31,740	40,507
Members education	5,151	9,358
Miscellaneous	23,721	-
Total administrative expenses	$ 1,355,096	$ 1,617,986

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
PER DIEM AND TRAVEL EXPENSES PAID TO BOARD OF TRUSTEES
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Per Diem	Travel Reimbursement	Total	Per Diem	Travel Reimbursement	Total
Wayne F. McElveen	$ 1,050	$ 2,037	$ 3,087	$ 1,800	$ 3,056	$ 4,856
Charles C. Foti, Jr	-	-	-	525	2,472	2,997
J.R. Oakes	225	874	1,099	525	1,857	2,382
Graham Hendericks	450	1,018	1,468	1,425	2,535	3,960
Don Rittenberry	-	417	417	-	-	-
Calvin McFerrin	-	717	717	-	1,974	1,974
Laura Endsley	450	1,566	2,016	1,200	3,605	4,805
Leonard Hataway	-	-	-	975	1,457	2,432
Marcel Bishop	-	-	-	300	290	590
William E. Hilton	525	1,020	1,545	1,800	3,038	4,838
Totals	$ 2,700	$ 7,649	$ 10,349	$ 8,550	$ 20,284	$ 28,834

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 2005 THROUGH 2010

Fiscal Year	Actuarial Required Contributions Employer	Actuarial Required Contributions Other Sources	Percent Contributed Employer	Percent Contributed Other Sources
2005	$ 44,112,031	$ 21,670,033	95.90 %	100.85 %
2006	48,902,744	22,228,685	97.73	103.50
2007	40,212,803	24,222,127	131.00	100.16
2008	38,271,238	26,521,286	154.45	104.02
2009	49,376,428	29,074,911	130.06	102.16
2010	74,606,879	31,433,066	90.82	97.46

Note:

Effective in the 2009 fiscal year, the Board of Trustees set the direct employer contribution rate higher than the minimum recommended rate. This resulted in excess contributions designated to a funding deposit account totaling $17,151,710 and $15,881,213 as of June 30, 2010 and 2009, respectively.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - PENSION PLAN
JUNE 30, 2005 THROUGH 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2005	$ 1,085,515,384	$ 1,180,095,189	$ 94,579,805	91.99 %	$ 432,019,757	21.89 %
June 30, 2006	1,282,638,484	1,378,133,705	95,495,221	93.07	436,370,158	21.88
June 30, 2007	1,468,646,528	1,564,897,616	96,251,088	93.85	481,418,484	20.00
June 30, 2008	1,628,303,910	1,702,582,378	74,278,468	95.64	537,082,456	13.83
June 30, 2009	1,608,228,363	1,681,075,062	72,846,699	95.67	577,078,980	12.62
June 30, 2010	1,773,450,705	1,844,493,001	71,042,296	96.15	603,250,449	11.78

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2005 THROUGH 2010

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2010
Actuarial Cost Method	Frozen Attained Age Normal Actuarial Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.
Amortization Method	In accordance with state statute, the payment amounts increase at 3.5% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis)
Remaining Amortization Period	19 years
Actuarial Asset Values:	
Bonds and Equities	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	6% (3.25% Inflation, 2.75 Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Change in Actuarial Assumptions:	A change was made to the mortality assumption for active and retirees. In addition, changes were made to the assumed rates of retirement and disability. These changes increased the normal cost accrual rate by 1.4679% or $8,400.000.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS AND
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2005 THROUGH 2010

Change in Plan Provisions	Legislative changes enacted limited provisions for the garnishment of retirement benefits, made changes establishing deadlines for determining employee contribution rates, provides guidelines in selecting investments and requires a two third majority for benefit provisions to be enacted having an actuarial cost.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS
JUNE 30, 2009 THROUGH 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	$ -	$ 685,010	$ 685,010	- %	$ 728,149	94.08 %
June 30, 2010	-	730,735	730,735	- %	609,679	119.86 %

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>

December 22, 2010

Board of Trustees
Sheriffs' Pension and Relief Fund
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Sheriffs' Pension and Relief Fund, State of Louisiana, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sheriffs' Pension and Relief Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Sheriffs' Pension and Relief Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriffs' Pension and Relief Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a significant deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected in a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sheriffs' Pension and Relief Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the use of the Board of Trustees, Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Sheriffs' Pension and Relief Fund, State of Louisiana for the years ended June 30, 2010 and 2009 was unqualified.

2. Internal Control:

   Material weaknesses: None
   Significant deficiencies: None

   There are no management letter comments for the current year audit for the year ended June 30, 2010.

3. Compliance and other matters:

   Noncompliance material to financial statements: none noted

SUMMARY OF PRIOR YEAR FINDINGS:

NONE